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SUBJECT: ESTONIA: THE GOVERNMENT'S FIRST 100 DAYS

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11. (C) Summary. July 13 marked the first 100 days of Prime Minister Andrus Ansip's center-right coalition government. The "Bronze Riots," cyber attacks and tensions with Moscow, consumed most of the GOE's attention during this period. Ansip and his Reform party have emerged even more popular both with the public and within the coalition-government. At the same time, the opposition Center Party is facing a low-point in public support. Given the government's current popularity, Ansip will be in a good position to convince the Parliament to renew Estonia's military mandates in Iraq and Afghanistan when the issue comes to a vote late in the year. However, there are murmurings that relations within the coalition may become more strained over time as some believe Ansip has let success go to his head and failed to consult enough with parliament and his coalition partners. End Summary.

Strengthened by Bronze

12. (U) The first 100 days in office of Prime Minister Andrus Ansip's government were largely dominated by the GOE's decision in April to relocate the Soviet-era Bronze Soldier monument and the subsequent riots in Tallinn, cyber attacks and Russian efforts to intimidate Estonia politically and economically (Refs A - E). It is widely acknowledged that Ansip himself pushed the decision to move the Bronze Soldier -- and this political decision has paid off, at least for now. Polls taken by Postimees, Estonia's paper of record, since the riots have consistently shown approval ratings for the GOE and Ansip in the 80th percentile. (Note. Not unexpectedly, Ansip's popularity among Russian-speaking Estonians, low to start, has shrunk even more. End Note.)

13. (U) Just as Ansip's personal approval ratings have skyrocketed, Edgar Savisaar, Mayor of Tallinn and leader of the main opposition Center Party, has seen his and his party's popularity plummet among ethnic Estonians. Throughout the crisis with Russia, other opposition parties (the Greens and People's Union) supported the GOE or remained silent. Savisaar, however, launched a very public and, at times, personal attack against Ansip and his decision to move the Bronze Soldier. He called for Ansip to resign and said the Prime Minister had "blood on his hands." With Estonians rallying behind Ansip, Savisaar's actions stirred a swift backlash.

¶4. (C) Estonians largely viewed Savisaar's actions as a sop to Center's sizeable Russian-speaking supporters and the Government of Russia (GOR). However, Savisaar's image was damaged even more when a Duma (Russia's parliament) delegation visiting Tallinn on April 30 echoed Savisaar's demand that Ansip and the entire GOE resign. Kadri Must, Center MP and party Secretary General, said to us, "After the Russians said that, Ansip's position became even stronger and ours got worse." Must told us that Center Party websites were flooded with emails and messages calling Savisaar a traitor and the Party anti-Estonian. Alexander Lohtman, Green MP, noted that "the last time a Russian delegation demanded an Estonian government to step down was in 1940...so it's no surprise that Savisaar lost so much credibility with Estonians." Postimees surveys since the riots have confirmed Lohtman's analysis. The majority of people who express support for Center Party are now Russian-speakers.

Growing Stronger within the Coalition

¶5. (C) Prior to the Bronze Soldier riots, during coalition negotiations, Reform's strong arm tactics -- particularly with respect to allocating cabinet seats -- created discontent among its partners (Ref F). Parliamentary interlocutors speculated that Reform's "take-it-or-leave-it" attitude had the potential to eventually drive the SDE and IRL to cut a deal with Center to form a new coalition government before the 2009 local elections. However, as Randel Lants, SDE Secretary General, told us, "Center Party is a political untouchable now and nobody in the coalition would

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consider working with them." Coalition governments have historically been short-lived in Estonia, but Lants told us he cannot see how his party or IRL could possibly enter into government with Savisaar's Center Party in the foreseeable future. Center MP Kadri Must admitted to us that Center's planned post election strategy of stymieing the GOE's legislative agenda by peeling away IRL and Social Democratic MPs on key GOE bills will be much harder in this new political climate.

¶6. (C) Consequently, Ansip and Reform have strengthened their already considerable clout in the coalition, the parliament, and with the public. Silver Meikar, a Reform MP, told us off-the-record that Ansip would prefer to keep this center-right coalition until the next parliamentary elections in 2011. However, he said, it still would "not be unthinkable" for a different Reform-led coalition to emerge before then. Meikar said that Reform could work again with Center if need be, but this time it would be in a stronger position to exact concessions from Savisaar. In any case, with the SDE and IRL's support locked in for the foreseeable future and Center Party temporarily weakened, Reform seems content with the status quo.

Pride Cometh Before a...

¶7. (C) Some MPs have expressed to us concerns that Ansip may over estimate his position both with his coalition partners and in the Parliament. SDE and IRL interlocutors told us they believe that Ansip is letting success go to his head. Ansip's strategy for handling a tax reform bill -- the Parliament's only major piece of legislation since the election -- demonstrates this. The Reform Party allowed only two weeks debate before passing the bill. Meikar observed that MPs, including several in Ansip's own Reform Party, were uncomfortable with this approach. "Parliament can't be Ansip's personal rubber stamp," Meikar said to us, "and I hope this won't be the

new trend."

¶8. (C) Meikar opined that Ansip's closest confidants, Foreign Minister Urmas Paet and Reform MP Keit Pentus, need to advise him to reign in any desire to become a "Presidential" prime minister. However, as Ansip has been instrumental in their political rise within the party, it is not clear how willing either would be to act as a check-and-balance to Ansip. Ott Lumi, an IRL MP, summed it up by telling us, "The only check on Ansip these days is Ansip himself." At the same time, our IRL and SDE interlocutors have indicated to us that they would like to see this coalition to continue past the 2009 local elections. Lumi noted that it would help if Ansip would consult with his coalition partners and parliament more. As an example, Lumi pointed out how well Ansip worked with Defense Minister Jaak Aaviksoo (from IRL) during the Bronze Soldier events and argued that positive leadership like this would produce a "win-win" outcome for the whole coalition.

Big Issues on the Horizon

¶9. (C) In the fall, the Parliament is scheduled to debate and pass a new budget, expanded legislation for maternity and paternity leave, implementation of EU tax legislation (e.g., non-taxation of reinvested profits), and a number of high profile foreign policy bills. On the domestic front, the budget is the most important. Lumi told us that the coalition partners have all agreed on the spending priorities. While the budget reflects Reform's priorities (e.g., maintaining a budget surplus), Lumi noted, there are enough "carrots" for IRL and SDL priorities. One area that may create friction, however, is education spending, which is vulnerable to cuts. This would impact IRL most significantly as the party holds the Minister of Education portfolio. "Center Party will likely attack us on this issue," Lumi explained, "but they don't have the votes to kill it." On the other domestic legislation, the GOE does not expect much opposition.

¶10. (C) Parliament's vote on mission mandate renewals for Estonia's military contributions in Iraq, Afghanistan, and Kosovo will also take place late this fall. The Kosovo and Afghanistan missions have wide support among all the parties in parliament. However, Iraq will be

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more contentious as popular support for this mission remains low. Now that it is out of government, Center Party will likely try to use Iraq as an issue to gain traction and improve its standing with the electorate. According to Andres Kasekamp, Director of the Estonian Foreign Affairs Institute, Ansip is in a stronger position now than he was last year when Parliament debated the Iraq mission mandate. As Kasekamp explained, U.S. support during the Bronze Soldier crisis -- including President Bush's well-timed invitation to President Ilves to visit the White House in June -- has strengthened Ansip's already considerable political clout in seeking another mandate. In his opinion, unless there are mass casualties, it is more likely that a number of Center MPs will vote against their party and support Ansip than Reform, IRL, or SDE MPs would vote against the government. (Comment: The GOE has made clear that it will only move forward to renew the mandate for Estonia's troops in Iraq once the Security Council has extended its mandate for the Multinational Force. The Estonians will also be keeping a close watch on the Iraq debate in the U.S. End Comment.)

¶11. (C) Comment. It is clear that since his government assumed power, Ansip continues to be on a political roll. While there are fears that he may over-reach and make

policy decisions with a small coterie of allies, in the short-to-mid-term, our Estonian interlocutors concede that he has the strength to push forward with his legislative agenda. End Comment.

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